

APPROPRIATIONS COMMITTEE**TESTIMONY****PUBLIC HEARING ON STATE BUDGET****MARCH 4, 2011****SUSAN L. DAVIS, RN, ED.D****PRESIDENT & CEO****ST. VINCENT'S HEALTH SERVICES**

I want to thank the members of the Appropriations Committee for the opportunity to speak on behalf of St. Vincent's Medical Center, our patients and the community regarding our concerns about the impact that the proposed state budget cuts will have on Health Care in the state and more specifically in the Greater Bridgeport Community.

Access to safe quality health care services is vital to the economic health of our state. Hospitals are the safety net for anyone in need of care. The impact of the economy and job loss in our communities has significantly increased the demand for hospital services, especially for the most vulnerable – the uninsured or underinsured.

In spite of the recent changes to the SAGA program St. Vincent's has experienced a 9.2% increase in Charity Care and Bad Debt and our Emergency Department has seen a 14% increase in uninsured visits. While there has been an increase in Medicaid patients that increase has come as a result of a significant decrease in Managed Care patients. We are seeing significant increases in the Behavioral Health population and a generally sicker patient population as a result of people being unable to afford medication or delays in treatment because of excessive co-pays.

St. Vincent's Medical Center understands that the Governor and state leaders are facing an unprecedented state budget deficit and has the responsibility of balancing needs and resources. Unfortunately Hospitals in Connecticut are all too familiar with having to make those tough choices. However, imposing a 5.5% hospital provider tax and a cut of \$83 million in funding for uncompensated care will hurt the health of Connecticut citizens and the

economy of the state. While the budget cuts inflict pain on everyone and every sector in Connecticut, for St. Vincent's and the Hospitals in this state, these are cuts that may not heal.

St. Vincent's has a track record of being a low cost provider which has enabled us to deliver strong financial performance to reinvest in our community. We remain a low cost provider, but our financial performance has significantly been eroded as a result of this changing economy. The proposed tax and budget cuts will further erode this performance. The impact of the proposed budget cuts for St. Vincent's is \$3.1 Million. The consequences of these cuts go far beyond the dollar value – they affect programs and ultimately impact they impact people. Service cuts will have to target programs that require significant subsidies such as our Behavioral Health Clinics, Residential Services for the Homeless and Handicapped and our Primary Care expansion efforts.

Existing state funding is inadequate to cover the cost of care provided to those in need. Eliminating \$83 million in uncompensated care funding and imposing a \$267 million hospital tax will shred the state's health care safety net. Hospitals in the state are committed to being leaders in the discussion on how to fix our Medicaid program. There are better options that provide the opportunity for expanding access, reducing the state deficit, reducing the cost shift to Connecticut businesses and employees and helping address the hospital shortfall. The Connecticut Hospitals and the Connecticut Hospital Association stand ready to partner with state leaders to implement these options.